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## **Senate votes to preserve jobs and provide tax relief to low-income families**

**LANSING**— Sen. Jud Gilbert joined his colleagues today in supporting legislation that would provide a state tax credit to low-income families to offer them tax relief while stimulating the economy.

“This is a victory for families and Michigan’s struggling economy,” Gilbert said. “We need to provide our residents with all the assistance we can to get them on their feet again. This tax credit will not only help them, but also will allow them to give a boost to the local economy by spending their refund on essential everyday items.”

Senate Bill 453 creates the Earned Income Tax Credit, a state tax credit equal to 20 percent of the federal EITC. It would be available for tax years beginning after Dec. 31, 2007 and would start at 10 percent in 2008 and increase to 20 percent in 2009.

The EITC is a tax cut for low-income families who will help boost the state economy by using their refund to buy goods and services they’ve been struggling to afford. In addition, workers who must find new, lower-paying jobs because of Michigan’s poor economy will be able to use the tax credit in easing their transition to a lower pay scale.

The Senate also:

- Gave immediate effect to House Bill 6213 to save jobs and avert unnecessary costs and burdens when the minimum wage increase takes effect in October. It protects the ability of many employees to work more than 40 hours per week in such industries as retail sales, automotive sales, healthcare and newspapers, among others.
- Passed Senate Bill 1364 to establish a youth minimum wage equal to 85 percent of the current hourly minimum wage. The proposed legislation is designed to provide job opportunities for Michigan’s young workers. There is concern the new higher wage would have a direct and negative impact on thousands of jobs for high school students across the state who are employed in supermarkets, restaurants, movie theaters, golf courses, hotels and retail stores.

“Today we cut taxes for the working poor, stimulated Michigan’s economy, preserved thousands of jobs, created job opportunities for Michigan’s youth and increased funding for college scholarships,” said Senate Majority Leader Ken Sikkema, R-Wyoming. “Earlier this summer, I said that in return for fixing the overtime legislation, I was willing to do things that are good for Michigan’s future. Every one of these bills accomplishes that goal.”

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